

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN**

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In re:

Wisconsin & Milwaukee Hotel LLC,

Debtor.

Case No. 24-21743-gmh  
Chapter 11

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**SUPPLEMENT TO DEBTOR'S EMERGENCY MOTION FOR AUTHORITY  
TO HONOR PREPETITION RESERVATIONS AND DEPOSITS, AND TO  
PAY PREPETITION CREDIT CARD COMMISSIONS**

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Wisconsin & Milwaukee Hotel LLC ("**Debtor**" or "**WMH**"), the debtor and debtor in possession in the above-captioned chapter 11 case, hereby supplements its Motion for Authority To Honor Prepetition Reservations and Deposits, and to Pay Prepetition Credit Card Commissions [Doc 20] (the "**Prepetition Reservations Motion**"), in order to demonstrate that substantially all of its advance payment deposits, on a customer-by-customer basis, may also be honored as priority claims of such customers under 11 U.S.C. § 507(a)(7). This Supplement is further supported by the Declaration of Gary Kunesh ("**Kunish Declaration**"), filed contemporaneously herewith.

1. The Prepetition Reservations Motion is incorporated herein by reference.
2. In the Prepetition Reservations Motion, the Debtor represented that it had received prepetition advance payment deposits in the aggregate amount of \$1,109,065.

3. The Debtor has now determined, in conjunction with further information generated from its books and records by its Admin Manager, that with the exception of a few cases involving group bookings (discussed below), those Deposits are \$3,350 per person or less. *See* Kunish Declaration, ¶5. This is the current statutory cap for claims based on deposits under 11 U.S.C. § 507(a)(7).

4. The few cases where the cap is exceeded relate to group reservations in connection with a large event, which is scheduled to be held in Milwaukee in July 2024. *Id.*, ¶6. The deposits were calculated to cover most of the charges expected to be incurred by these groups when they are at the Hotel. They are not refundable. If they are not honored therefore, the guests could refuse to pay any balances owed, force costly litigation to be instituted, and broadcast substantial ill will, which could severely damage not only the Debtor's reputation and future earnings prospects, but also tarnish the City of Milwaukee and the Marriott brand. *Id.*

5. Accordingly, in addition to other grounds set forth in the Prepetition Reservations Motion, the Debtor submits that its honoring of advance payment deposits should be approved by the Court as necessary and on the same basis as the payment of prepetition employee wage claims: the Bankruptcy Code recognizes the priority of such claims. They are therefore highly likely to be paid through this Case whether allowed now or not. Moreover, if the Debtor were unable to honor such advance payment deposits at the time of the applicable postpetition stays and events, it could have an immediate, disastrous and irreparable impact on the business and the estate. As stated in the Prepetition Reservations Motion, the

reputational damage would likely discourage other bookings from the public, resulting in the irreparable loss of millions of dollars of revenue.

### **NOTICE AND NO PRIOR REQUEST**

6. Notice of this Supplement has been provided to: (a) the Office of the United States Trustee for the District of Wisconsin; (b) the Debtor's twenty (20) largest unsecured creditors; (c) counsel to the Debtor's prepetition secured lenders; and (d) all other parties as designated in the Court's Docket Text Order entered on April 13, 2024 [Doc 18]. The Debtor submits that no other or further notice need be provided. The Debtor will provide such additional notice as may be required and appropriate in advance of the final hearing on this matter.

7. This Supplement relates to the prior motion for the relief requested herein, filed on April 14, 2024 at Doc 20.

WHEREFORE, the Debtor respectfully requests entry of an order, substantially in the form that will be submitted tomorrow with other proposed orders on first day motions, granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

**[Signatures appear on the following page.]**

Dated: April 15, 2024.

**RICHMAN & RICHMAN LLC**  
**Proposed Attorneys for Debtors**

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